Persistent Systems Pte Ltd.

CONDENSED BALANCE SHEET AS AT JUNE 30, 2016

	Notes	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
ASSETS				
Non-current assets				
Property, Plant and Equipment	5.1	10,476	35,643	16,962
		10,476	**35,643**	**16,962**
Financial assets				
-Investments	6	-	-	-
- Loans	7	162,030,019	152,121,231	118,596,590
		162,040,495	**152,156,874**	**118,613,552**
Current assets				
Financial Assets				
- Trade receivables	8	21,284,768	30,113,918	61,000,510
- Cash and cash equivalents	9	83,879,036	57,523,738	106,275,345
- Loans	10	46,555,971	5,474,093	45,554,221
- Other financial assets	11	2,559,667	-	2,511,516
Other current assets	12	73,139,051	40,189,579	112,335,120
		227,418,493	**133,301,328**	**327,676,712**
TOTAL		**389,458,988**	**285,458,202**	**446,290,264**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	15,503,532	15,503,532	15,503,532
Other equity		253,986,469	156,164,395	224,442,583
		269,490,001	**171,667,927**	**239,946,115**
LIABILITIES				
Current liabilities				
Financial liabilities				
- Trade payables	13	9,817,749	6,918,442	44,879,465
-Other financial liabilities	14	213,155	145,335	211,196
Other current liabilities	15	93,986,416	80,603,249	140,735,312
Provisions	16	1,502,309	5,040,988	7,849,859
Current tax liabilities (net)		14,449,358	21,082,261	12,668,317
		119,968,987	**113,790,275**	**206,344,149**
TOTAL		**389,458,988**	**285,458,202**	**446,290,264**
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the condensed financial statements

As per our report of even date

For JOSHI APTE & CO
Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

per C. K. Joshi
Partner
Membership no. 030428
Place: Pune
Date : July 22, 2016

Dr. Anand Deshpande
Director
Place: Pune
Date : July 22, 2016

John Ryan
Director
Place: Singapore
Date : July 22, 2016

Persistent Systems Pte Ltd.

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2016.

	Notes	For the quarter ended June 30, 2016 In ₹	For the quarter ended June 30, 2015 In ₹	For the year ended March 31, 2016 In ₹
Income				
Revenue from operations (net)	17	69,670,355	60,004,455	372,731,050
Other income	18	15,893,572	982,460	4,939,248
Total income (A)		**85,563,927**	**60,986,915**	**377,670,298**
Expenses				
Employee benefits expense	19.1	4,474,241	4,119,922	16,497,266
Cost of technical professionals	19.2	52,213,254	29,179,943	188,022,997
Depreciation and amortization expense	5.2	6,679	6,402	25,858
Other expenses	20	2,012,247	5,178,098	79,238,417
Total expenses (B)		**58,706,421**	**38,484,365**	**283,784,538**
Profit before tax (A - B)		**26,857,506**	**22,502,550**	**93,885,760**
Tax expense				
Current tax		2,330,825	1,834,652	13,862,345
Tax (credit)/ charge in respect of earlier years		(942)	-	544,519
Total tax expense		**2,329,883**	**1,834,652**	**14,406,864**
Net profit for the period / year (C)		**24,527,623**	**20,667,898**	**79,478,896**
Other comprehensive income				
Items that will not be reclassified to profit or loss (D)		-	-	-
Items that will be reclassified to profit or loss (E)				
- Exchange differences in translating the financial statements from functional currency to reporting currency		5,016,263	5,805,510	15,272,700
		5,016,263	**5,805,510**	**15,272,700**
Total comprehensive income for the period / year (C) + (D) + (E)		**29,543,886**	**26,473,408**	**94,751,596**
Earnings per equity share [nominal value of share S$ 1 (Corresponding period / Previous year: S$ 1)]	21			
Basic (In ₹)		49.06	41.34	158.96
Diluted (In ₹)		49.06	41.34	158.96
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the condensed financial statements

As per our report of even date

For JOSHI APTE & CO
Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

per C. K. Joshi
Partner
Membership no. 030428
Place: Pune
Date : July 22, 2016

Dr. Anand Deshpande
Director
Place: Pune
Date : July 22, 2016

John Ryan
Director
Place: Singapore
Date : July 22, 2016

Persistent Systems Pte Ltd.

CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

		For the quarter ended		For the year ended
		June 30, 2016	June 30, 2015	March 31, 2016
		In ₹	In ₹	In ₹
Cash flow from operating activities				
Profit before tax		**26,857,506**	**22,502,550**	**93,885,760**
Adjustments for:				
Interest income		(1,555,025)	(982,460)	(4,939,248)
Depreciation and amortization expense		6,679	6,402	25,858
Unrealised exchange loss/ (gain) (net)		(6,956,887)	(2,449,194)	783,684
Change in foreign currency translation reserve		4,409,981	3,766,394	47,953,163
Exchange loss/ (gain) on translation of foreign currency cash and cash equivalents		166,599	60,279	1,106,068
Bad debts		-	-	7,940,796
Provision for doubtful receivables (net)		-	(64,499)	(9,551,031)
Operating profit before working capital changes		**22,928,853**	**22,839,472**	**137,205,050**
Movements in working capital :				
Decrease in trade receivables		40,093,775	54,355,833	25,206,518
Decrease in other current assets		39,147,918	6,961,343	5,976,360
(Increase) / Decrease in loans and advances		(845,370)	21,658,284	(95,666,773)
(Decrease) / Increase in trade payables and current liabilities		(81,898,006)	(65,641,686)	32,134,811
(Decrease) / Increase in provisions		(6,347,550)	1,396,351	4,205,222
Operating profit after working capital changes		**13,079,620**	**41,569,597**	**109,061,188**
Direct taxes paid (net of refunds)		-	-	(21,248,503)
Net cash generated from operating activities	**(A)**	**13,079,620**	**41,569,597**	**87,812,685**
Cash flows from investing activities				
Inter corporate deposit given		(36,765,756)	(62,550,459)	(62,550,459)
Interest received		1,456,426	-	3,554,308
Net cash (used in) investing activities	**(B)**	**(35,309,330)**	**(62,550,459)**	**(58,996,151)**
Cash flows from financing activities		-	-	-
Net cash (used in) financing activities	**(C)**	-	-	-

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹	In ₹	In ₹
Net increase in cash and cash equivalents (A + B + C)	(22,229,710)	(20,980,862)	28,816,534
Cash and cash equivalents at the beginning of the quarter / year	106,275,345	78,564,879	78,564,879
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(166,599)	(60,279)	(1,106,068)
Cash and cash equivalents at the end of the quarter / year	**83,879,036**	**57,523,738**	**106,275,345**
Components of cash and cash equivalents			
Cash on hand	-	-	-
Balances with banks			
On current accounts	83,879,036	57,523,738	106,275,345
Cash and cash equivalents as per note 9	**83,879,036**	**57,523,738**	**106,275,345**

Summary of significant accounting policies - Refer note 3

The accompanying notes are an integral part of the condensed financial statements

As per our report of even date

For JOSHI APTE & CO
Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

per C. K. Joshi
Partner
Membership no. 030428
Place: Pune
Date : July 22, 2016

Dr. Anand Deshpande
Director
Place: Pune
Date : July 22, 2016

John Ryan
Director
Place: Singapore
Date : July 22, 2016

Persistent Systems Pte Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2016

A. Equity share capital

(Refer Note 4)

In ₹

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at June 30, 2016
15,503,532	**-**	**15,503,532**

In ₹

Balance as at April 1, 2015	Changes in equity share capital during the period	Balance as at June 30, 2015
15,503,532	**-**	**15,503,532**

In ₹

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
15,503,532	**-**	**15,503,532**

(This space is intentionally left blank)

Persistent Systems Pte Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2016

B. Other equity

In ₹

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2016	212,391,605	12,050,978	224,442,583
Net profit for the period	24,527,623		24,527,623
Other comprehensive income for the period	-	5,016,263	5,016,263
Balance at June 30, 2016	**236,919,228**	**17,067,241**	**253,986,469**

In ₹

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2015	132,912,709	(3,221,722)	129,690,987
Ind AS adjustments on first time adoption	-	-	-
Net profit for the period	20,667,898	-	20,667,898
Other comprehensive income for the period	-	5,805,510	5,805,510
Balance at June 30, 2015	**153,580,607**	**2,583,788**	**156,164,395**

In ₹

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2015	132,912,709	(3,221,722)	129,690,987
Ind AS adjustments on first time adoption	-	-	-
Net profit for the year	79,478,896	-	79,478,896
Other comprehensive income for the period	-	15,272,700	15,272,700
Balance at March 31, 2016	**212,391,605**	**12,050,978**	**224,442,583**

1. Nature of operations

Persistent Systems Pte. Ltd. ("the Company") is a Singapore based wholly owned subsidiary of Persistent Systems Ltd. The Company is engaged in software development, professional and marketing services.

2. Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on first time adoption of Indian Accounting Standards notified under the Companies Act, 2013.

Statement of compliance
In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016, June 30, 2015 and April 1, 2015 and of the comprehensive net income for the quarter ended June 30, 2015 and the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. Summary of significant accounting policies

(a) Accounting year

The accounting year of the Company is from April 01 to March 31.

(b) Functional currency

The Company's functional currency is Singapore dollar (SGD)

(c) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of fixed assets that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

(e) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:
- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

(f) Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method (‘SLM’) over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System)*	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

(g) Impairment of Property, Plant and Equipment and Other Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(h) Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as:

- **Financial assets at amortized cost**

  Financial instruments that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

- **Financial assets at fair value through profit or loss (FVTPL)**

  Any financial instrument which does not meet the criteria for categorization as financial instruments at amortized cost or as FVTOCI, is classified as financial instrument at FVTPL. Financial instruments included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as:

- **Financial liabilities at amortized cost**

  Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss (FVTPL)**

  Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the recognition criteria as per Ind AS 109 are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

iii) Impairment

i) Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(i) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period/ year they occur.

(j) Leases

Where the Company is a lessee

Leases that transfers substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Income from software services

Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

Revenue from royalty is recognized in accordance with the terms of the relevant agreements.

Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

Revenue from licensing of software and sale of products is recognized upon delivery.

Unbilled revenue represents revenue recognized in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized.

The Company collects service tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head ‘Other income’ in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Company’s right to receive dividend is established by the reporting date. Dividend income is included under the head ‘Other income’ in the statement of profit and loss.

(l) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the functional currency viz. SGD, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

The transactions are in SGD, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head “Other equity”.

Settlement

Revenue and expenses denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or loss for the period in which the transaction is settled.

(m) Retirement and other employee benefits

Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Inland Revenue Authority Singapore (IRAS). The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current reporting period and reversal of timing differences of earlier reporting periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(o) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

(This space is intentionally left blank)

4. Share capital

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Authorized shares (No.)			
500,000 Ordinary Shares of S$ 1 each (previous year 500,000 Ordinary Shares of S$ 1 each)	SGD 500,000	SGD 500,000	SGD 500,000
	SGD 500,000	**SGD 500,000**	**SGD 500,000**
Issued, subscribed and fully paid-up shares (No.)			
500,000 Ordinary Shares of S$ 1 each (previous year 500,000 Ordinary Shares of S$ 1 each)	15,503,532	15,503,532	15,503,532
Issued, subscribed and fully paid-up share capital	**15,503,532**	**15,503,532**	**15,503,532**

a) Reconciliation of the shares outstanding at the beginning and at the end of the period / year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In ₹)

	As at June 30, 2016		As at June 30, 2015		As at March 31, 2016	
	No of shares	**Amount**	**No of shares**	**Amount**	**No of shares**	**Amount**
Number of shares at the beginning of the period / year	500,000	15,503,532	500,000	15,503,532	500,000	15,503,532
Add : Issued during the period / year	-	-	-	-	-	-
Number of shares at the end of the period / year	**500,000**	**15,503,532**	**500,000**	**15,503,532**	**500,000**	**15,503,532**

(This space is intentionally left blank)

Persistent Systems Pte Ltd.

Notes forming part of condensed financial statements

5.1 Property, Plant and Equipment

In ₹

	Computers	Total
Gross block (At cost)		
As at April 1, 2016	50,437	50,437
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	955	955
As at June 30, 2016	**51,392**	**51,392**
Depreciation and amortization		
As at April 1, 2016	33,475	33,475
Charge for the period	6,679	6,679
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	762	762
As at June 30, 2016	**40,916**	**40,916**
Net block		
As at June 30, 2016	**10,476**	**10,476**
As at March 31, 2016	**16,962**	**16,962**

In ₹

	Computers	Total
Gross block (At cost)		
As at April 1, 2015	46,537	46,537
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,854	1,854
As at June 30, 2015	**48,391**	**48,391**
Depreciation and amortization		
As at April 1, 2015	6,097	6,097
Charge for the period	6,402	6,402
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	249	249
As at June 30, 2015	**12,748**	**12,748**
Net block		
As at June 30, 2015	**35,643**	**35,643**
As at March 31, 2016	**40,440**	**40,440**

In ₹

	Computers	Total
Gross block (At cost)		
As at April 1, 2015	46,537	46,537
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	3,900	3,900
As at March 31, 2016	**50,437**	**50,437**
Depreciation and amortization		
As at April 1, 2015	6,097	6,097
Charge for the year	25,858	25,858
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,520	1,520
As at March 31, 2016	**33,475**	**33,475**
Net block		
As at March 31, 2016	**16,962**	**16,962**
As at March 31, 2015	**40,440**	**40,440**

Persistent Systems Pte Ltd.

Notes forming part of condensed financial statements

5.2. Depreciation and amortization

	For the quarter ended		For the year ended
	June 30, 2016	**June 30, 2015**	**March 31, 2016**
			In ₹
On Property, Plant and Equipment	6,679	6,402	25,858
	6,679	**6,402**	**25,858**

6. Non-current financial assets : Investments

In ₹

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Investments designated as Fair Value through Profit and Loss			
Unquoted Investments			
(i) Investments in Equity Instruments			
Others*			
Ciqual Limited [Holding 2.38% (Corresponding period / Previous year 2.38%)] 0.04 million (Corresponding period / Previous year : 0.04 million) shares of GBP 0.01 each, fully paid up	13,594,864	12,800,797	13,342,099
Less : Provision for diminution in value of investment	(13,594,864)	(12,800,797)	(13,342,099)
Total carrying amount of investments	**-**	**-**	**-**
Aggregate amount of impairment in value of investments	13,594,864	12,800,797	13,342,099
Aggregate amount of unquoted investments	13,594,864	12,800,797	13,342,099

* Investments, where the Company does not have joint-control or significant influence including situations where such joint-control or significant influence is intended to be temporary, are classified as "investments in others"

(This space is intentionally left blank)

7. Non-current financial assets : Loans

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Other loans and advances			
Loan to related parties			
Unsecured, considered good			
-Persistent Telecom Solutions Inc.	162,030,019	152,121,231	118,596,590
	162,030,019	**152,121,231**	**118,596,590**

8. Trade receivables

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		-	-
Unsecured, considered doubtful	834,888	9,720,270	819,365
	834,888	**9,720,270**	**819,365**
Less : Provision for doubtful receivables	(834,888)	(9,720,270)	(819,365)
	-	**-**	**-**
Others			
Unsecured, considered good	21,284,768	30,113,918	61,000,510
Unsecured, considered doubtful	-	-	-
	21,284,768	**30,113,918**	**61,000,510**
Less : Provision for doubtful receivables	-	-	-
	21,284,768	**30,113,918**	**61,000,510**
	21,284,768	**30,113,918**	**61,000,510**

(This space is intentionally left blank)

Persistent Systems Pte Ltd.

Notes forming part of condensed financial statements

9. Cash and cash equivalents

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current accounts	83,879,036	57,523,738	106,275,345
	83,879,036	**57,523,738**	**106,275,345**

10. Current financial assets : Loans

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Carried at amortised costs			
Loan to related parties (Unsecured, considered good)			
- Persistent Telecom Solutions Inc.	44,770,307	4,018,311	43,928,136
Add: Interest accrued but not due on loan	1,584,854	983,552	1,429,008
	46,355,161	**5,001,863**	**45,357,144**
Security Deposits			
Unsecured, considered good	200,810	472,230	197,077
	200,810	**472,230**	**197,077**
	46,555,971	**5,474,093**	**45,554,221**

11. Other current financial assets

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Advance to related parties (Unsecured, considered good)			
- Persistent Systems Inc.	1,947,405	-	1,910,771
- Persistent Telecom Solutions Inc.	612,262	-	600,745
	2,559,667	**-**	**2,511,516**

12. Other current assets

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Advances to related parties (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received			
- Persistent Systems Inc.	72,880,486	39,705,569	110,904,849
	72,880,486	**39,705,569**	**110,904,849**
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	258,565	484,010	445,288
	258,565	**484,010**	**445,288**
Unbilled revenue	-	-	984,983
	73,139,051	**40,189,579**	**112,335,120**

13. Trade payables

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Trade payables for goods and services	9,817,749	6,918,442	44,879,465
	9,817,749	**6,918,442**	**44,879,465**

14. Other current financial liabilities

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Advance from related parties (Unsecured, considered good)			
-Persistent Systems Limited	213,155	145,335	211,196
	213,155	**145,335**	**211,196**

15. Other current liabilities

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Advance from customers	3,635	738,288	3,567
Other payables			
- Statutory liabilities	265,446	92,767	261,081
- Unearned revenue	93,717,335	79,772,194	140,470,664
	93,986,416	**80,603,249**	**140,735,312**

16. Current liabilities : Provisions

	As at June 30, 2016 In ₹	As at June 30, 2015 In ₹	As at March 31, 2016 In ₹
Provision for employee benefits			
- Leave encashment	245,892	274,215	116,768
- Other employee benefits	1,256,417	4,766,773	7,733,091
	1,502,309	**5,040,988**	**7,849,859**

(This space is intentionally left blank)

Notes forming part of condensed financial statements

17. Revenue from operations (net)

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹	In ₹	In ₹
Software services	66,428,752	60,004,455	287,017,492
Software licenses	3,241,603	-	85,713,558
	69,670,355	**60,004,455**	**372,731,050**

18. Other income

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹	In ₹	In ₹
Interest income			
On others	1,555,025	982,460	4,939,248
Foreign exchange gain (net)	6,607,261	-	-
Excess provision written back in respect of earlier period / year	7,731,286	-	-
	15,893,572	**982,460**	**4,939,248**

19. Personnel expenses

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹	In ₹	In ₹
19.1 Employee benefits expense			
Salaries, wages and bonus	4,157,594	3,844,435	15,340,927
Defined contribution to other funds	153,980	123,569	523,251
Staff welfare and benefits	158,371	151,918	633,088
Employee stock option expenses	4,296	-	-
	4,474,241	**4,119,922**	**16,497,266**
19.2 Cost of technical professionals			
Technical professionals - related parties	52,213,254	29,179,943	188,022,997
	52,213,254	**29,179,943**	**188,022,997**
	56,687,495	**33,299,865**	**204,520,263**

(This space is intentionally left blank)

20. Other expenses

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹	In ₹	In ₹
Travelling and conveyance	182,166	17,837	790,822
Communication expenses	-	-	23,708
Purchase of software licenses and support expenses	157,177	-	66,264,790
Bad debts	-	-	7,940,796
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	-	(64,499)	(9,551,031)
Rent	-	632,909	636,922
Legal and professional fees	1,280,971	351,331	2,751,517
Commission on sales	98,663	726,027	1,620,257
Advertisement and sponsorship fees	13,440	79,609	173,828
Auditors' remuneration	143,044	123,532	453,580
Books, memberships, subscriptions	4,138	7,516	19,204
Foreign exchange loss (net)	-	3,044,741	7,563,768
Miscellaneous expenses	132,648	259,095	550,256
	2,012,247	**5,178,098**	**79,238,417**

(This space is intentionally left blank)

Persistent Systems Pte Ltd.

Notes forming part of condensed financial statements

21. Earnings per share

		For the quarter ended		For the year ended
		June 30, 2016	**June 30, 2015**	**March 31, 2016**
Numerator for Basic and Diluted EPS				
Net Profit after tax (In ₹)	(A)	24,527,623	20,667,898	79,478,896
Denominator for Basic EPS				
Weighted average number of equity shares of S$ 1 each	(B)	500,000	500,000	500,000
Denominator for Diluted EPS				
Number of equity shares	(C)	500,000	500,000	500,000
Basic Earnings per share of S$ 1 each (In ₹)	(A/B)	**49.06**	**41.34**	**158.96**
Diluted Earnings per share of S$ 1 each (In ₹)	(A/C)	**49.06**	**41.34**	**158.96**

(This space is intentionally left blank)

22. First-time adoption of Ind-AS

These financial statements, for the quarter ended 30 June 2016, are the first financial statements the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with statutory reporting requirements in India immediately before adopting Ind AS (‘previous GAAP’).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for period ending on June 30 2016, together with the comparative period data as at and for the period ended June 30, 2015 and for the year ended March 31, 2016. In preparing these financial statements, the Company’s opening balance sheet was prepared as at April 1, 2015, the Company’s date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the period ended June 30, 2015 and for the year ended March 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following optional exemption:

Deemed cost:
The Company has elected to measure the carrying value for all of its Property, Plant and Equipment as per the previous GAAP and use that as its deemed cost as at the date of transition to Ind AS i.e. April 1, 2015.

Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:
- equity as at April 1, 2015
- equity as at June 30, 2015
- equity as at March 31, 2016
- Profit for the quarter ended June 30, 2015

There are no material adjustments to the cash flow statements.
There are no material adjustments to the balance sheet line items.
There are no material adjustments to the statement of profit and loss.

23. Contingent liabilities

The Company does not have any contingent liability as on June 30, 2016 (previous quarter/ year ₹ Nil).

24. Previous quarter’s / year’s figures have been regrouped where necessary to conform to current quarters’ classification.

As per our report of even date

For Joshi Apte &Co.,
Firm registration no. 104370W
Chartered Accountants

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date: July 22, 2016

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

Dr. Anand Deshpande
Director

Place: Pune
Date: July 22, 2016

Mr. John Ryan
Director

Place: Singapore
Date: July 22, 2016